

# **Collection Manual**

## **Guidelines for Phased Payment / Instalment Arrangements**

**Reviewed December, 2014**

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## Part 1- Guidelines for Phased Payment / Instalment Arrangements

### 1. Scope

- 1.1 These guidelines are for all Revenue staff engaged in Debt Management case-working.

*Ref: [text](#) of Revenue eBrief No. 71/11 and [Collection of Tax Debts](#) published by the Collector-General on the Revenue website - **Business Tax Topics / Tax Payment Difficulties**. The document outlines Revenue's approach to the collection of taxes and our approach to assisting previously compliant taxpayers by allowing Phased Payment Arrangements in certain circumstances.*

### 2. Summary

- 2.1 The following is a summary of the main points covered in this guideline to assist staff in dealing with requests and making decisions in relation to Phased Payment / Instalment Arrangements.
- 2.2 Revenue will assist in dealing with tax payment difficulties by agreeing to Phased Payment Arrangements in appropriate cases provided that
- the liabilities are fully quantified,
  - there is early, positive and honest engagement by the taxpayer, and
  - the fundamentals of the underlying business are sound.
- 2.3 Revenue has introduced streamlined procedures and standardised requirements for those seeking Phased Payment Arrangements in relation to outstanding tax liabilities. From January 2012, **all** applicants with substantial debt must complete the **PPA1 Form** and submit the relevant supporting documentation. The requirements as set out on the PPA1 Form are determined by the size of the debt:
- Debt - Greater than €100,000
  - Debt - Less than €100,000
  - Debt - Less than €6,000 – Customer Services Unit will determine what documentary evidence is required – LoCall 1890 20 30 70.
- 2.4 The supporting documentation requirements and the Phased Payment Application **PPA1 Form**, together with an online interest calculator to provide an indication of the interest payable on the phased payments, are available in the **Dealing with Tax Payment Difficulties and Engaging with Revenue** document on Revenue's website.
- 2.5 When considering the appropriateness of granting a Phased Payment/Instalment Arrangement all data showing the viability of the business and in relevant cases the capacity to meet the terms of a payment plan together with ongoing compliance in relation to future tax liabilities will be taken into consideration. Caseworkers / Managers should deal with all applications as quickly as possible and notify the applicants, in a timely fashion, of any issues requiring clarification or any additional information required.

- 2.6 A Phased Payment / Instalment Arrangement cannot be finalised if there are outstanding tax returns. All proposals should address the total liability, i.e. all outstanding tax, full interest and outstanding penalties, if appropriate. Ref: **Guideline for Auditors and Caseworkers** for information on how “Agreed” and “Court Determined” penalties are dealt with under a Phased Payment / Instalment Arrangement.
- 2.7 While seeking the maximum repayment amount and the minimum repayment period based on the circumstances of the case, the caseworker should be reasonably satisfied that the terms and conditions of the Phased Payment / Instalment Arrangement can realistically be met by the taxpayer.
- 2.8 When a Phased Payment / Instalment Arrangement is agreed the Phased Payment Proposal Form setting out the precise terms of the Arrangement will issue to the applicant for their signature.
- 2.9 The following is a summary of caseworking instructions and procedures:

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]

- Caseworking Procedures for setting up Phased Payment / Instalment Arrangements are set out in this manual as follows:
  - (1) Penalties not included - Part 2;
  - (2) Penalties included - Part 3.
- Advise the taxpayer that a higher down-payment is more advantageous as it will result in payment of less interest on the debt – they can examine this in more detail on the Revenue website Interest Calculator.
- Stress that all current tax and returns must be paid / filed at all times.
- Advise the taxpayer that Revenue requires their agreement that any repayable/refundable amounts that arise during the lifetime of the Phased Payment/Instalment Arrangement will be considered available for offset against the debt.
- Do not close the intervention during negotiations.
- Make clear that if a Phased Payment/Instalment Arrangement breaks down, enforcement will be undertaken as soon as possible.
- Unpaid Direct Debits under a Phased Payment/Instalment Arrangement should be replaced immediately by a bank draft, or the Instalment Arrangement may be cancelled, depending on the overall success of the Arrangement. **See Para. 7 - Unpaid Direct Debits.**
- The taxpayer should pay tax at Enforcement to the Sheriff/Solicitor **See Para. 4.6.**

- In some circumstances Interim Arrangements which do not address the full debt can be granted. **See Para. 11.**

### **3. Introduction**

- 3.1 Taxpayers are legally obliged to pay their full liability at once, but Revenue recognises that in some cases this could cause undue hardship and may be impossible for some taxpayers. To facilitate the taxpayer in paying the liability, Revenue may grant the extra-statutory concession of paying the liability over a period of time.
- 3.2 In advance of agreeing to consider a Phased Payment/Instalment Arrangement, caseworkers should insist that a taxpayer first explores the possibility of seeking a loan from a Financial Institution to clear the outstanding taxes.
- 3.3 If a taxpayer cannot secure a loan and enforcement of the legal obligation is not practical, the caseworker will request the taxpayer to submit their application on the prescribed PPA1 Form together with the relevant supporting documentation. Having considered the information supplied, the caseworker may agree to grant a Phased Payment/Instalment Arrangement on the basis that it is the best method of collecting outstanding tax liabilities, i.e. if refusal to do so would result in failure to collect any money.

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[...]

### **4 Phased Payment / Instalment Arrangement Criteria**

- 4.1 The standardised requirements for Phased Payment/Instalment Arrangement applications are intended to facilitate speedy and appropriate caseworking decisions and to minimise the number of contacts with the taxpayer in order to provide a timely level of certainty in relation to addressing their tax difficulties.
- 4.2 Phased Payment applications arise where factors largely outside of the control of business, e.g. economic slowdown, have negatively impacted on its capacity to meet tax obligations in a timely fashion.
- 4.3 There are certain criteria that must be met before a Phased Payment/Instalment Arrangement can be granted. In all applications concerning amounts in excess of €6,000, the decision to grant a Phased Payment/Instalment Arrangement is contingent on a number of factors including:
  - **Liabilities Quantified:** All outstanding tax returns must be submitted.
  - **PPA1 Form:** The application being submitted by the business on the prescribed PPA1 Form and accompanied by the mandatory supporting documentation as specified on page 6 of the Form.
  - **Business Viability:** The business concerned must demonstrate that it is viable and has the capacity and commitment to meet all future tax payment

obligations when they fall due. In addition to the documentation specified by Revenue, the taxpayer may also submit other information that they consider relevant to their application.

- **Timeliness:** It will be significantly influenced by the level and timeliness of meaningful engagement with Revenue.
- **Terms & Conditions:** The taxpayer must sign the Instalment Agreement and commit to adhering to the conditions specified in relation to the debt while also maintaining current / future compliance.
- **Debts less than €6,000:** The taxpayer should contact the Collector-General's Office on 1890 20 30 70 in advance, in order to clarify the relevant documentary requirements.

**Note:** One of the terms included on the **Instalment Agreement Form** specifies that the business **does not have fixed charges on its book debts**. However, it is acknowledged that in the current economic climate a number of companies may have invoice discounting Arrangements in place. **These Arrangements will not preclude a company from availing of a Phased Payment/Instalment Agreement provided that Revenue is notified of the exact terms of the Arrangements. See Para. 5 - Factoring & Invoice Discounting.**

4.4 **Realistic Payments:** The Phased Payment/Instalment Arrangement made with the taxpayer must be reasonable to Revenue, by addressing the arrears and to the taxpayer, by allowing the business to trade through its difficulties in a manner which allows the phased payments plus current / future liabilities to be paid when due. An unrealistic Arrangement will inevitably fail.

4.5 **Debt Quantified:** One of the pre-conditions for a Phased Payment/Instalment Arrangement is that all tax returns are filed to date. In commencing negotiations on an Arrangement, you must inform the taxpayer of the full amount of tax, interest and any appropriate penalties owing. This total, together with projected interest calculated over the life of the Arrangement, must appear on the Instalment Agreement Form.

**Note: Revenue will not consider granting a Phased Payment / Instalment Arrangement for CGT liabilities unless, in exceptional circumstances, the taxpayer can provide evidence that an Arrangement is warranted.**

4.6 **Periods at Enforcement:** The taxpayer should be informed that any periods at enforcement will not be included in the Phased Payment/Instalment Arrangement and that granting the Phased Payment / Instalment Arrangement is conditional on the taxpayer making Arrangements with the Sheriff and/or Solicitor to pay all amounts due, including costs, on the enforced periods. **In exceptional circumstances and only with the prior agreement of the Enforcement Agency**, periods at Enforcement may be included in the Arrangement on condition that any agency Enforcement costs due must have been paid by the taxpayer.

4.7 **Possible Offsets:** Future tax refunds, repayments, claims and credits must be taken into account in negotiations, e.g. VAT refunds, IT refunds, CT refunds, PSWT credits or RCT credits. You should examine the case history to determine if the customer is regularly in a refund/repayment situation. The customer must be asked

if they anticipate any significant tax refunds/repayments, claims or credits during the term of the Arrangement and details of the discussions should be noted in ICM.

Where it is apparent that the customer is due refunds during the term of the Phased Payment/Instalment Arrangement, these must be specifically addressed during negotiations and offsets should be included as a condition of the ongoing Arrangement where appropriate. VAT repayments are not to be included as a condition, however VAT refunds and the refund portion of a VAT refund/repayment combination may be included.

Revenue reserves the right to re-examine the Phased Payment//Instalment Arrangement in cases where refunds or repayments arise at a later date. The amount of the refund/ repayment and the total debt should be taken into account by the caseworker in all cases.

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- 4.8 **Avoid Enforcement:** The caseworker should emphasise that the onus for fulfilling the terms of the Phased Payment/Instalment Arrangement is on the taxpayer. Therefore,
- **if current taxes are not paid and returns not filed by the due dates or**
  - **if the Direct Debits for the Phased Payment/Instalment Arrangement are not paid,**
- the Arrangement** fails and the arrears, including all accrued interest, will be enforced. [Ref: Para. 7 – [Unpaid Direct Debits](#)]
- 4.9 **Interest & Penalties:** You will have established that collection of the full liability in one sum is not practical and therefore a Phased Payment/Instalment Arrangement offers the best prospect of collection. Full ‘**accrued**’ and ‘**projected**’ interest and any appropriate penalties owing and outstanding must be included in every Phased Payment/Instalment Arrangement. Mitigation of some of the accrued interest may be considered only in cases of hardship and must be approved by a manager at APO level.
- 4.10 **Negotiation Timeframe:** At the outset it should be made clear to the taxpayer that a satisfactory Phased Payment/Instalment Arrangement must be completed within 15 days of commencing negotiations and that in the event of failure to adhere to the agreed time-frame, Revenue’s first option will be Enforcement of all amounts due. This places an onus on the taxpayer to present realistic proposals promptly. Any attempt to, or request by the taxpayer to extend the negotiating period should be referred to your team manager (HEO) for approval.
- 4.11 **Save Instalment Worksheet:** A Phased Payment/Instalment Arrangement cannot be entered into unless all outstanding Returns are received. The instalment worksheet screen can be saved during the negotiation period but it should never be ‘agreed’ until all Returns have been received.

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- 4.14 **Tax Clearance:** The down-payment should be in the form of a bank draft for Tax Clearance cases. Otherwise, the issue of the Tax Clearance Certificate must be delayed until the Direct Debit for the down-payment has been cleared, i.e.15 days after the debit date or the ROS payment is cleared.
- 4.15 **Payment Timeframe:** Phased Payment//Instalment Arrangements should be completed within the shortest possible timeframe. While a short-term Arrangement is most desirable, long-term Arrangements may occur. Arrangements exceeding two years should be the exception and must be approved by the team manager (HEO).
- 4.16 **Direct Debit:** Taxpayers should be told that the granting of an Arrangement is conditional on the liabilities being paid by Direct Debit. Post-dated cheques are not acceptable as a means of paying liabilities under an Arrangement. The Direct Debit payments will cover both the initial down-payment and the monthly payment amounts. The Direct Debit Mandate is included as part of the documentation that issues to the taxpayer for the Arrangement. **\*Post-dated cheques are not acceptable and should be returned to the taxpayer immediately.** Failure to provide the Direct Debit Mandate means that the Phased Payment/Instalment Arrangement is not agreed - this should be brought to the taxpayer's attention and Enforcement of the outstanding liabilities should proceed as normal.
- 4.17 **Re-state Terms & Conditions:** At the time of concluding an Agreement, it must be made clear to the taxpayer that failure to honour the terms, particularly for current taxes as they fall due, will lead to Enforcement of the full amount of tax, interest and any appropriate penalties as shown on the Instalment Agreement Form. It must also be emphasised that failure to pay future liabilities on time constitutes a breach of the Arrangement.

## 5. Factoring and Invoice Discounting

- 5.1 The difference between factoring and invoice discounting, in brief, is that factoring is a disclosed facility where debtors are informed that the client has assigned its debt to a Factor and debts are paid directly to the factor. The Factor keeps the ledger of account debtors and collects the receivables. Invoice discounting is a confidential form of debt purchasing, where the invoice discounter acquires the debts from the client, but the client collects the debts as the undisclosed agent of the discounter.
- 5.2 The legal basis of both factoring and invoice discounting is the purchase of receivables. As debt purchasing results in the transfer of ownership of the debts rather than a charge on the assets, the assigned assets fall outside the ambit of any security. Ownership of the debts through factoring and invoice discounting provides lenders with an alternative to the burden of trying to obtain a fixed charge on debts.
- 5.3 With regard to obtaining details of the factoring/invoice discounting Arrangement, it should be noted that as factoring is a purchase Arrangement and not a security interest, no registration is required. The nature of the Arrangement will however be detailed in the Contract of Sale / Master Agreement / Assignment between the Factor



and Company. It is only through sight of this Agreement that it would be possible to clarify that all funds in the account are subject to the Arrangement.

#### 5.4 Instalment Arrangements: PPA1 Form & Phased Payment Proposal Document

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### 6. Preliminary Income Tax

- 6.1 Apart from cases in which Direct Debit is used to pay Preliminary Tax, only payments made on or before 31 October qualify as preliminary tax payments for the current tax year. Therefore, it is not possible to pay preliminary tax by instalment, as any payment made after 31 October does not qualify.
- 6.2 If a taxpayer is unable to pay a sufficient amount by 31 October, the caseworker should outline the possibility of payment through the Direct Debit scheme. Direct Debit for Income Tax is not mandatory because it involves the payment of portion of the tax in advance but it should be offered as it will be attractive to many taxpayers. To minimise the interest charge, the taxpayer should pay the maximum amount possible by 31 October and submit the balance of tax liability for the year as quickly as possible thereafter. If appropriate, interest charges will be raised and pursued by Revenue in due course.

### 7. Variation of Direct Debit Amounts

- 7.1 During the course of the agreement, it is possible that the taxpayer will contact a caseworker requesting minor variation(s) in the payment schedule. For example, due to cash flow difficulties, the taxpayer might ask that:
- a Direct Debit deduction be delayed a few days until money is in the account or
  - a particular Direct Debit payment be reduced with the balance paid at a later date

In effect, this is a request to vary the terms of a Phased Payment / Instalment Arrangement and a decision to agree to this will obviously depend on the individual circumstances of each case. Minor variations should generally be accepted if the Arrangement has otherwise been working satisfactorily and the debt is continuing to decrease. Constant requests for changes should be discouraged.

- 7.2 Any request for variation in the Direct Debit amounts being paid under an Arrangement should be dealt with by the caseworker responsible for the Arrangement, or by the relevant caseworking team if the caseworker is no longer in place.

### 8. Unpaid Direct Debits

- 8.1 Where there is an unpaid Direct Debit in a Phased Payment/Instalment Arrangement, the ICM intervention will exit B/F to the caseworker responsible for the

Arrangement, or to the relevant caseworking team if the caseworker is no longer in place.

- 8.2 The caseworker can then decide, after consulting his/her team leader or team manager (HEO), whether to seek a replacement bank draft from the taxpayer or to cancel the Arrangement. The decision will be influenced by the overall success of the Arrangement, e.g. the debt is decreasing and current taxes are being paid when due.
- 8.3 If the decision is taken to continue with the Arrangement, the taxpayer should be warned that recurring non-payment of Direct Debits requiring follow up contact by Revenue to secure replacement payments would lead to the cancellation of the Arrangement.

## **9. Interest Payments at End of Instalments**

- 9.1 In accordance with standard practice, the interest payable under a Phased Payment/Instalment Arrangement will be covered by the final Direct Debit payment(s) under the Arrangement. Experience has shown that when the tax element has been paid, some taxpayers attempt to avoid payment of the interest. Where there is a request to cancel the Direct Debit Arrangement at this late stage it should be pointed out to the taxpayer that
- if they insist, the Direct Debit will be cancelled but that interest charges will be raised separately and pursued;
  - if they fail to honour the terms of the Arrangement, Revenue will also significantly reduce their flexibility in any future dealings with the taxpayer.
- 9.2 Where the taxpayer cancels the Direct Debit without informing Revenue, the caseworker should charge and pursue interest on late payment (ILP). Any interest paid up to this point should be deducted from the total ILP amount and the balance should be demanded and enforced, as appropriate.

## **10. Only One Replacement Arrangement will be Allowed**

- 10.1 In general, where an Arrangement has broken down, the granting of a second or replacement Phased Payment/Instalment Arrangement should be considered only in very limited circumstances and when certain conditions are met:
- The taxpayer submits a written explanation outlining the reason(s) for the Arrangement breaking down, and
  - The taxpayer also outlines, in writing, the changed circumstances that will allow the new Arrangement to succeed.

The previous payment history, the extent of the Arrangement breakdown and the outcome of the post-breakdown contact with the taxpayer should also be considered, with particular emphasis on the taxpayer's record of paying current taxes by the due dates over the course of the Arrangement. **The granting of a second/replacement Phased Payment/Instalment Arrangement requires team manager (HEO) approval.** The liability should be enforced without delay if the second Arrangement breaks down, i.e. issue a **7 day letter** for the instalment amount and/or a **Final Demand** for the current taxes.

## 11. Interim Arrangements

11.1 Occasionally, caseworkers may encounter a taxpayer who claims inability to simultaneously pay current/future taxes while addressing an arrear through a formal Phased Payment/Instalment Arrangement. The taxpayer will usually promise to pay current and future taxes and to make some reduction in outstanding liability. Before agreeing to such an Arrangement the caseworker should be satisfied that the taxpayer will be in a position to address all the tax debt within a reasonable timeframe. This is especially important where the taxpayer is still trading.

11.2 The taxpayer should be asked to provide evidence that they cannot obtain sufficient credit to address the full debt and also provide information confirming that their current financial difficulties are of a temporary nature. Adequate evidence, including the following, must be produced:

### (i) Debt – Greater than €100,000

- Up to date bank statements;
- List of all/any assets and encumbrances thereon;
- Outline of cost-cutting measures implemented in the business including details relating to drawings by owners/directors;
- Cash flow projections for following 6 months;
- Up-to-date management accounts.

### (ii) Debt – Less than €100,000

- Up to date bank statements;
- List of all/any assets and encumbrances thereon;
- Outline of cost-cutting measures implemented in the business including details relating to drawings by owners/directors;
- In some cases, cash flow projections for following 6 months and up-to date management accounts will also be requested.

11.3 If the caseworker, having consulted with and secured the approval of their manager (HEO), is satisfied that the taxpayer's financial difficulties are temporary, s/he may grant an Interim Arrangement. When an Interim Arrangement is being granted the taxpayer should be advised of the following:

- A monthly payment to reduce the outstanding liability is expected;
- All current/future taxes must be paid by due dates;
- Interest on late payments may be raised;
- Failure to adhere to the terms of the Arrangement will result in all amounts due being referred for enforcement.

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[...]

## 12. Case Decision Escalation Framework (CDEF) Arrangements

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]

## 13. Customer Services Unit Arrangements

13.1 Customer Services Unit in the C-G's Division deals with requests for Phased Payment/Instalment Arrangements in the following instances:

- Where the taxpayer is not being dealt with by a Debt Management caseworker, i.e. is not the subject of a caseworking intervention.

**and**

- The liability is less than €6,000.

13.2 Customer Services Unit divide their cases as follows:

### Formal Arrangement:

- Liabilities between €1,000 and €6,000 where the taxpayer is seeking a tax clearance certificate;

### Informal Arrangement:

- Liabilities under €1,000 where the taxpayer is seeking a tax clearance certificate (**Ref: Appendix E – Customer Services Unit - Letter: Informal Instalment Arrangements - Tax Clearance Cert Required**) **and**
- Liabilities up to €6,000 where a tax clearance certificate is not required (**Ref: Appendix F - Customer Services Unit – Letter: Informal Instalment Arrangements**)

13.3 Conditions & Criteria for Customer Services Unit Formal Arrangements

- All outstanding Returns must be submitted prior to the Arrangement being agreed;
- Taxpayers are advised that formal Arrangements should be of the shortest possible duration and ideally last from **6 –12 months**.

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[...]

### Liabilities at Enforcement:

- The taxpayer must deal directly with the relevant Enforcement Agent in relation to any liabilities at referral stage. The taxpayer should provide **written**

**confirmation of payment** from the Enforcement Agent when submitting the required Instalment documentation.

- The total debt, including full accrued and projected interest outstanding should be included in the Phased Payment/Instalment Arrangement. An appeal for mitigation of any portion of the interest due must be submitted in writing for approval at AP level, but only at the outset of the Arrangement.
- Any outstanding Preliminary Tax must be paid before a Phased Payment/Instalment Arrangement can be agreed.
- A down-payment should be sought in all cases.
- It is emphasised to the taxpayer that payment of current/future taxes by the due dates is a condition of the Phased Payment/Instalment Arrangement.
- The taxpayer must be advised that should they fail to comply with the conditions causing the Arrangement to break down any balance due may be referred to Enforcement.
- A taxpayer experiencing severe financial difficulties must submit a written request for a variation in the agreed terms of a Phased Payment/Instalment Arrangement on hardship grounds. Such cases require the Team Manager's approval.

#### 13.4 **Conditions for Customer Services Unit Informal Phased Payment/ Instalment Arrangements:**

- **Debt Quantified:** All outstanding Returns must be submitted.
- **Preliminary Tax:** Any outstanding Preliminary Tax must be paid before a Phased Payment/Instalment Arrangement can be agreed.
- **Timeframe:** Informal Arrangements should be **completed within 12 months.**
- **Down-payment:** A down-payment is not mandatory.
- **Payments:** Except in exceptional circumstances, payments **must** be made via Revenue Online Service (ROS).
- **Tax Clearance Certificate (TCC):** Where the liability is **less than €1,000** a TCC should be issued for a **maximum of 6 months.**
- **Debt referred for Enforcement:** The relevant Enforcement Agent will deal with any liabilities at Enforcement.
- **Interest Charges:** The taxpayer is to be made aware of potential interest charges on all late payments.
- **Current Compliance:** It is emphasised that current/future taxes must be paid when due.
- **Possible Offsets:** The taxpayer should be advised that any tax repayment or overpayment arising during the term of the Arrangement may be offset against liabilities covered by the Arrangement.

13.5 Time Expiry Stops must be input on the relevant charges/periods for time periods up to twelve months. An appropriate note should be created in ITP recording the agreed

terms and duration of the Informal Arrangement. Normally, the caseworker places a copy of Revenue's letter, agreeing the Informal Arrangement in ITP notes.

- 13.6 Any decision to grant an extended Informal Arrangement will be based on reasonable compliance with the original agreement and a reduction of the overall tax debt during the original period. Ultimately, in all of these cases, it will be a matter of making a reasonable judgement on the merits of each case and deciding on a course of action that will give the best possible result for Revenue, i.e. maximising collection with the minimum of caseworker intervention.

## 14. Procedures for Phased Payment/Instalment Arrangements

14.1 The administrative procedures for dealing with all aspects of Phased Payment / Instalment Arrangements, i.e. working out the payment schedule, setting up taxpayers on the Direct Debit system, amending payment amounts / dates etc., are available in the ICM System and are set out in this document as follows:

- **Part 2 - Phased Payment / Instalment Arrangement Procedures - No Penalties included.**
- **Part 3 - Phased Payment/Instalment Arrangement Procedures - Penalties included.**
- **Part 4 - Amend a Live Instalment Mandate.**
- **Part 5 - Removing a Taxpayer from the Instalments Direct Debit System.**

14.2 Appendices in **Part 6** of this document contain sample letters for both **Without Inclusion of Penalties** and **With Inclusion of Penalties** in a **Phased Payment / Instalment Arrangement**.

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Text of **Error! Reference source not found.**Revenue eBrief - 71/11 - Published on 24 November 2011

*Tax Payment Difficulties - Streamlining of Revenue Procedures*

*Revenue expects businesses and individuals to arrange their business and personal affairs in such a way as to ensure timely compliance with tax return filing and tax payment obligations. Revenue is happy to acknowledge that the vast majority of taxpayers and businesses do that.*

*On occasion, particular challenges can arise for individuals or businesses in ensuring timely compliance and Revenue continues to encourage early engagement with them where those challenges arise.*

*In situations where exceptionally, payment of a tax debt in one lump sum is demonstrably not possible, Revenue has in place a refined streamlined approach for a business or individual to apply to Revenue for a phased payment arrangement. This involves the completion of a form and the provision of essential supporting evidence and documentation that will enable Revenue to more speedily consider whether it will agree that a debt can be cleared by way of a phased payment arrangement. Interest will always be part of an approved phased payment arrangement.*

*Revenue has designed and put on our website a calculator to give businesses, individuals or their agents an opportunity, having regard, inter alia to the interest element of the arrangement, to work out the exact monthly repayment schedule that would arise with any particular phased payment proposal.*

[Tax Payment Difficulties](#)

## **Part 2 – Phased Payment/Instalment Arrangement Procedures - No Penalties included**

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]

## **Part 3 – Phased Payment/Instalment Arrangement Procedures - Penalties Included**

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[...]

## **Part 4 - Amend a Live Instalment Mandate**

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]

## **Part 5 - Removing a Taxpayer from the Instalments Direct Debit System**

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]



## Part 6 – Appendices

**NB: The official version of this letter is on ICM - This version should not be used**

### Appendix A – Draft Agreement – Penalty Indicator - Scope Screen: Yes

**REFERENCE NUMBER:**

**DATE:**

TAXPAYER/BUSINESS/COMPANY NAME  
REGISTERED OFFICE  
THE MAIN STREET  
MY TOWN  
MY COUNTY

#### **Re: Phased Payment Proposal**

Dear Sir/Madam,

I refer to your request to discharge your tax debt by Instalments.

Please find attached the following:

- A schedule showing the liabilities to be covered by the Arrangement
- An agreement form setting out the payment Arrangements
- An instalment direct debit mandate form

Please sign the agreement form and complete the Arrangement direct debit mandate form for the payment of the arrears and return them to me.

Payments will commence upon return of the signed agreement and completed direct debit mandate form. A copy of the agreement will be returned to you by way of an acknowledgement.

Yours faithfully,

---

**Caseworker's Name**

Telephone: 1890 20 30 70 Ext:  
Direct Line:

REFERENCE NUMBER:

TAXPAYER/BUSINESS/COMPANY NAME

REGISTERED OFFICE

THE MAIN STREET

MY TOWN

MY COUNTY

**I hereby acknowledge my debt of tax and interest as shown overleaf and agree to the following terms:**

- (1) Down-payment of €xxxxx by direct debit on receipt of signed agreement
- (2) Balance by xx monthly direct debit payments of €xxxx per month commencing \_\_\_ days after down-payment
- (3) Current taxes to be filed and paid by due date
- (4) Alert Revenue if payment difficulties arise

**If there is any departure from the above terms or default in the payment of current tax, collection will be enforced for all tax and full statutory interest due, to the date of enforcement**

Revenue reserves the right to re-examine the Arrangement in cases where repayments or refunds arise

I confirm that there is no fixed charge on the book debts or receivables of the company and no such charge will be granted for the duration of this agreement. (Condition applies only to companies).

**Instruction to Caseworkers: See Paragraph 5 and 5.4 for instructions in relation to Factoring & Invoice Discounting.**

The Collector-General is not bound by this agreement unless this form is completed, signed and returned **within 15 days**, together with completed Arrangement direct debit mandate.

Signed: \_\_\_\_\_

Company  
Seal

Status: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_

Any queries on this agreement should be directed to: Caseworker's Name

Telephone: \_\_\_\_\_ Ext: \_\_\_\_\_

Direct Line: \_\_\_\_\_ Fax: \_\_\_\_\_

Accepted by:	Date:
For official use:	



## Appendix A – Cont'd

### Phased Payment Direct Debit Mandate

#### Reference Number:

Please enter below the necessary bank account details to enable payment of the amounts agreed on the attached schedule.

#### Instruction to your Bank/Building Society

1. The Manager

\_\_\_\_\_ **Bank**

\_\_\_\_\_ **Branch**

\_\_\_\_\_ **Address**

2. Name

\_\_\_\_\_ **Account Holder**

3.

\_\_\_\_\_ **Address**

4. BIC

IBAN

I/We instruct you to pay direct debits from my/our account at the request of the Collector-General

The amounts are variable and may be debited on various dates

I/We will inform the bank/building society in writing if I/We wish to cancel this instruction

I/We understand that if any direct debit is paid which breaks the terms of the instruction, the bank will make a refund.

Signature(s)

\_\_\_\_\_  
\_\_\_\_\_

*Banks may return direct debits presented on some types of account.*

A **BIC** (Bank Identifier Code) is a unique, global identifier for your bank. You will find it printed on every current account statement you receive from your bank.

An **IBAN** (International Bank Account Number) is an international version of your existing bank account. It allows your bank account to be recognised internationally. You will find it printed on every current account statement you receive from your bank.

**Appendix B – Draft Agreement – Penalty Indicator - Scope Screen: No**

**NB: The official version of this letter is on ICM - This version should not be used**

**REFERENCE NUMBER:**

**DATE:**

**TAXPAYER/BUSINESS/COMPANY NAME:**

REGISTERED OFFICE  
THE MAIN STREET  
MY TOWN  
MY COUNTY

**Re: Phased Payment Proposal**

Dear Sir/Madam,

I refer to your request to discharge your tax debt by Instalments.

Please find attached the following:

- A schedule showing the liabilities to be covered by the Arrangement
- An agreement form setting out the payment Arrangements
- An Arrangement direct debit mandate form

Please sign the agreement form and complete the Arrangement direct debit mandate form for the payment of the arrears and return them to me.

Payments will commence upon return of the signed agreement and completed direct debit mandate form. A copy of the agreement will be returned to you by way of an acknowledgement.

Yours faithfully,

---

**Caseworker's Name**

Telephone: 1890 20 30 70 Ext:  
Direct Line:

**Appendix B – Cont'd**

**Phased Payment Agreement**

**REFERENCE NUMBER:**

TAXPAYER/BUSINESS/COMPANY NAME  
REGISTERED OFFICE  
THE MAIN STREET  
MY TOWN  
MY COUNTY

**I hereby acknowledge my debt of tax and interest as shown overleaf and agree to the following terms:**

- (1) Down-payment of €xxxxx by direct debit on receipt of signed agreement
- (2) Balance by xx monthly direct debit payments of €xxxx per month commencing \_\_\_ days after down-payment
- (3) Current taxes to be filed and paid by due date
- (4) Alert Revenue if payment difficulties arise

**If there is any departure from the above terms or default in the payment of current tax, collection will be enforced for all tax and full statutory interest due, to the date of enforcement**

Revenue reserves the right to re-examine the Arrangement in cases where repayments or refunds arise

I confirm that there is no fixed charge on the book debts or receivables of the company and no such charge will be granted for the duration of this agreement. (Condition applies only to companies)

**Instruction to Caseworkers: See Paragraph 5 and 5.4 for instructions in relation to Factoring & Invoice Discounting.**

The Collector-General is not bound by this agreement unless this form is completed, signed and returned **within 15 days**, together with completed Arrangement direct debit mandate.

Signed: \_\_\_\_\_

Company  
Seal

Status: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_

Any queries on this agreement should be directed to: Caseworker's Name

Telephone: \_\_\_\_\_ Ext: \_\_\_\_\_

Direct Line: \_\_\_\_\_ Fax: \_\_\_\_\_

Accepted by: _____	Date: _____
For official use: _____	

Appendix B – Cont'd

Schedule of Outstanding Taxes (Tax period end date is before 1<sup>st</sup> July 2013)

Name:

Date:

Reg No	Tax	Period	Tax Amount	Totals
	PAYE/PRSI	1/2/2012 to 29/2/2012	4,445.00	
	PAYE/PRSI	1/3/2012 to 31/3/2012	3,505.00	
	PAYE/PRSI	1/4/2012 to 30/4/2012	2,457.00	
	PAYE/PRSI	1/5/2012 to 31/5/2012	10,340.00	
	PAYE/PRSI	1/7/2012 to 31/7/2012	5,359.00	
	PAYE/PRSI	1/8/2012 to 31/8/2012	10,340.00	
	VAT	1/5/2012 to 30/6/2012	97.00	
	VAT	1/7/2012 to 31/8/2012	7,732.00	
	CT	1/6/1992 to 31/5/1993	0.72	
<b>Taxes</b>				44,275.72
<b>Interest</b>				8,751.76
<b>Total</b>				<b>€53,027.48</b>

Any departure from the agreement will result in the enforcement of the outstanding liability including full statutory interest.

.....

Schedule of Outstanding Taxes (Tax period end date is after 1<sup>st</sup> July 2013)

Name:

Date:

Reg No	Tax	Period	Tax Amount	Totals
	PAYE/PRSI	1/2/2012 to 29/2/2012	4,445.00	
	PAYE/PRSI	1/3/2012 to 31/3/2012	3,505.00	
	PAYE/PRSI	1/4/2012 to 30/4/2012	2,457.00	
	PAYE/PRSI	1/5/2012 to 31/5/2012	10,340.00	
	PAYE/PRSI	1/7/2012 to 31/7/2012	5,359.00	
	PAYE/PRSI	1/8/2012 to 31/8/2012	10,340.00	
	<b>PAYE/PRSI/USC/LPT</b>	<b>1/1/2013 to 31/12/2013</b>	<b>15,221.00</b>	
	VAT	1/5/2012 to 30/6/2012	97.00	
	VAT	1/7/2012 to 31/8/2012	7,732.00	
	CT	1/6/1992 to 31/5/1993	0.72	
<b>Taxes</b>				59,496.72
<b>Interest</b>				8,751.76
<b>Total</b>				<b>€68,248.48</b>

Any departure from the agreement will result in the enforcement of the outstanding liability including full statutory interest.

## Appendix B – Cont'd

### Phased Payment Direct Debit Mandate

#### Reference Number:

Please enter below the necessary bank account details to enable payment of the amounts agreed on the attached schedule.

#### Instruction to your Bank/Building Society

1. The Manager

\_\_\_\_\_ **Bank**

\_\_\_\_\_ **Branch**

\_\_\_\_\_ **Address**

2. Name

\_\_\_\_\_ **Account Holder**

3.

\_\_\_\_\_ **Address**

4. BIC

IBAN

I/We instruct you to pay direct debits from my/our account at the request of the Collector-General

The amounts are variable and may be debited on various dates

I/We will inform the bank/building society in writing if I/We wish to cancel this instruction

I/We understand that if any direct debit is paid which breaks the terms of the instruction, the bank will make a refund.

Signature(s)

\_\_\_\_\_

\_\_\_\_\_

*Banks may return direct debits presented on some types of account.*

A **BIC** (Bank Identifier Code) is a unique, global identifier for your bank. You will find it printed on every current account statement you receive from your bank.

An **IBAN** (International Bank Account Number) is an international version of your existing bank account. It allows your bank account to be recognised internationally. You will find it printed on every current account statement you receive from your bank.



## **Appendix C – Instalment Agreement – Warning Letter**

**Date:**

**Reference No:**

MR SRAPUZ JCORUD  
MY REGISTERED OFFICE  
THE MAIN STREET  
MY TOWN  
MY COUNTY

### **Re: Instalment Arrangement**

Dear Sir/Madam,

[I have made several attempts recently to contact you about the Arrangement which you entered into to clear your arrears of tax by instalments.]

I refer to the Arrangement which you entered into with this office to clear your arrears of tax by instalments and our recent conversation.

As you are aware the conditions of the instalment Arrangement include the timely payment of current taxes and that the arrears payments are met as per the agreed schedule.

It appears from our records that you are not honouring the agreement. Please bring forward proposals immediately to rectify this situation.

**If we have not resolved the situation satisfactorily within seven days of the date of this letter, the Instalment Arrangement will be terminated and collection of the full liability rigorously enforced.**

Yours faithfully,

\_\_\_\_\_  
**Caseworker's Name**

**Telephone:**           **Extn:**

**Direct Line:**

**Fax:**

## Appendix D - Letter to Taxpayer Cancelling Instalment Arrangement

The following material is either exempt from or not required to be published under the Freedom of Information Act 1997.

[...]

**Reference No:**

**Name:**

**Address:**

### **Re: Instalment Arrangement**

Dear Sir/Madam

I refer to the Instalment Arrangement which you entered into with this office on (*input by caseworker*) to clear outstanding arrears of tax.

Despite previous contact with you, it still appears from our records that the conditions of this agreement are not being honoured by you. In the circumstances the agreement is now being terminated and all outstanding amounts of tax and interest will be referred for enforcement of collection.

Yours faithfully,

-----  
**Caseworker's Name**

**Telephone:**

**Direct Line:**

**Fax Line:**

## Appendix E – Customer Services Unit - Letter: Informal Instalment Arrangements - Tax Clearance Cert Required

Date

Taxpayer/Business/Company Name

Address:

Ref:

Dear

I refer to recent correspondence regarding your outstanding Tax Liability of €xxxx. I am in a position to offer you a once off 12-month Informal Instalment Arrangement.

### The conditions of the Arrangement are as follows:

1. The full liability must be paid on or before the date/month/year. The onus is completely on you to submit payments within the 12 months; you will not receive any reminders from Revenue.
2. Payments must be made through ROS (Revenue On-Line Service) – see note below re ROS registration process.
3. It is important to understand that the Arrangement in this matter is granted by Revenue as a concession and that once it has been agreed, all future taxes must be paid on time.
4. All late payments are liable to interest charges and this agreement does not preclude Revenue from charging such interest separately at a later date.
5. Any repayment/overpayment of tax arising during the lifetime of this Arrangement may be offset by Revenue against liabilities covered under the Arrangement.
6. Tax Clearance will be authorised once you confirm to the undersigned that you have retrieved your ROS Digital Cert in accordance with the ROS Registration Process set out below.

### ROS Registration Process:

There are 3 Steps to becoming a ROS customer. All three steps **must** be completed before you can access ROS. Step 1 has already been completed for you.

**Step 1:** Apply for a RAN (ROS Access Number). This stage has already been completed for you and you will receive numeric password in the post within the coming days.

**Step 2:** Apply for a Digital Certificate using your RAN. (Follow instructions received in correspondence).

**Step 3:** Retrieve your Digital Cert: A ROS system password will be posted to you, following completion of Step 2, to enable you carry out this step. (Follow instructions received in correspondence).

If you have any queries relating to registering for ROS, please contact the ROS helpline 1890 201106 or mail [roshelp@revenue.ie](mailto:roshelp@revenue.ie)

Queries in relation to this Instalment Arrangement should be directed to the undersigned.

Yours sincerely

\_\_\_\_\_  
Caseworker's Name

Customer Service

Direct Line:

## Appendix F - Customer Services Unit – Letter: Informal Instalment Arrangements - Tax Clearance Cert Not Required

**Date:**

**Taxpayer/Business/Company Name**

**Address:**

**Ref:**

Dear

I refer to recent correspondence regarding your outstanding Tax Liability of €xxxx. I am in a position to offer you a once off 12-month Informal Instalment Arrangement.

### **The conditions of the Arrangement are as follows:**

1. Regular payments must be submitted and the full liability must be paid on or before the date/month/year. The onus is completely on you to submit payments within the 12 months; you will not receive any reminders from Revenue.
2. Payments must be made through ROS (Revenue On-Line Service) – see note below re ROS registration process.
3. It is important to understand that the Arrangement in this matter is granted by Revenue as a concession and that once an Instalment has been agreed, all future taxes must be paid on time.
4. All late payments are liable to interest charges and this agreement does not preclude Revenue from charging such interest separately at a later date.
5. Any repayment/overpayment of tax arising during the lifetime of this Arrangement may be offset by Revenue against liabilities covered under the Arrangement.

### **ROS Registration Process:**

There are 3 steps to becoming a ROS customer. All three steps **must** be completed before you can access ROS. Step 1 has already been completed for you.

**Step 1:** Apply for a RAN (ROS Access Number). This stage has already been completed for you and you will receive numeric password in the post within the coming days.

**Step 2:** Apply for a Digital Certificate using your RAN. (Follow instructions received in correspondence).

**Step 3:** Retrieve your Digital Cert: A ROS system password will be posted to you, following completion of Step 2, to enable you carry out this step. (Follow instructions received in correspondence).

If you have any queries relating to registering for ROS, please contact the ROS helpline 1890 201106 or mail [roshelp@revenue.ie](mailto:roshelp@revenue.ie)

Queries in relation to this Instalment Arrangement should be directed to the undersigned.

Yours sincerely

\_\_\_\_\_  
**Caseworker's Name**  
**Customer Service**  
**Direct Line:**